



U.S. Department of Justice  
*United States Attorney*  
*Eastern District of Pennsylvania*

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FOR IMMEDIATE RELEASE

September 25, 2008

## **ALLENTOWN ATTORNEY AND TWO OTHERS INDICTED FOR FRAUD INVOLVING COUPLE KILLED IN PLANE CRASH**

ALLENTOWN – Acting United States Attorney Laurie Magid today announced that an indictment<sup>1</sup> was filed charging John P. Karoly, Jr., John J. Shane, and John P. Karoly III, a/k/a J.P. Karoly, with one count of conspiracy and two felony counts of wire fraud. The charges involve the defendants' scheme to defraud the estates of John P. Karoly, Jr.'s brother and sister-in-law using false wills.

Defendant John P. Karoly, Jr., is an attorney in Allentown, Pennsylvania who operates a law office at 1555 North 18<sup>th</sup> Street, in Allentown, Pennsylvania. Defendant John J. Shane is a medical doctor who provided expert witness services to defendant John P. Karoly, Jr. Defendant John P. Karoly III, a/k/a J.P. Karoly, is an attorney working in his father's Allentown law office.

On February 2, 2007, Peter J. Karoly and Lauren B. Angstadt, the brother and sister-in-law of Karoly Jr., were killed in a private plane crash in Massachusetts. Peter J. Karoly was an Allentown attorney. His wife was a dentist. They had no children and left multi-million dollar estates. According to the indictment, shortly after the deaths, all three defendants conspired to commit wire fraud by creating a fake Last Will and Testament for each of the deceased which they dated June 2, 2006, in order to supercede earlier, authentic wills prepared in 1985. The indictment alleges that the fake documents named John P. Karoly, Jr., and his sons as beneficiaries of a significant portion of the multi-million dollar estates, which contradicts the provisions of the earlier wills. John J. Shane was the sole witness on the Wills dated June 2, 2006.

"According to the indictment, the defendants conspired in a fraudulent scheme to forge the wills of Peter Karoly and Lauren Angstadt in order to unlawfully benefit from their tragic deaths," said Magid. "Their actions were not only illegal, they subverted the true intentions of the victims."

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<sup>1</sup>An Indictment or Information is an accusation. A defendant is presumed innocent unless and until proven guilty.

INFORMATION REGARDING THE DEFENDANTS

NAME	ADDRESS	AGE OR DATE OF BIRTH
John P. Karoly, Jr.	Allentown, PA	58
John J. Shane	Allentown, PA	72
John P. Karoly, III	Orefield, PA	28

If convicted of all charges, the defendants face a possible maximum sentence of 45 years imprisonment, a \$750,000 fine, 3 years supervised release and a \$300 special victims/witness assessment.

The case was investigated by the Federal Bureau of Investigation (Allentown Resident Office). It is being prosecuted by Assistant United States Attorney Seth Weber.

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